

wetherspoon

INTERIM PRESENTATION

20 MARCH 2020

Financial Summary

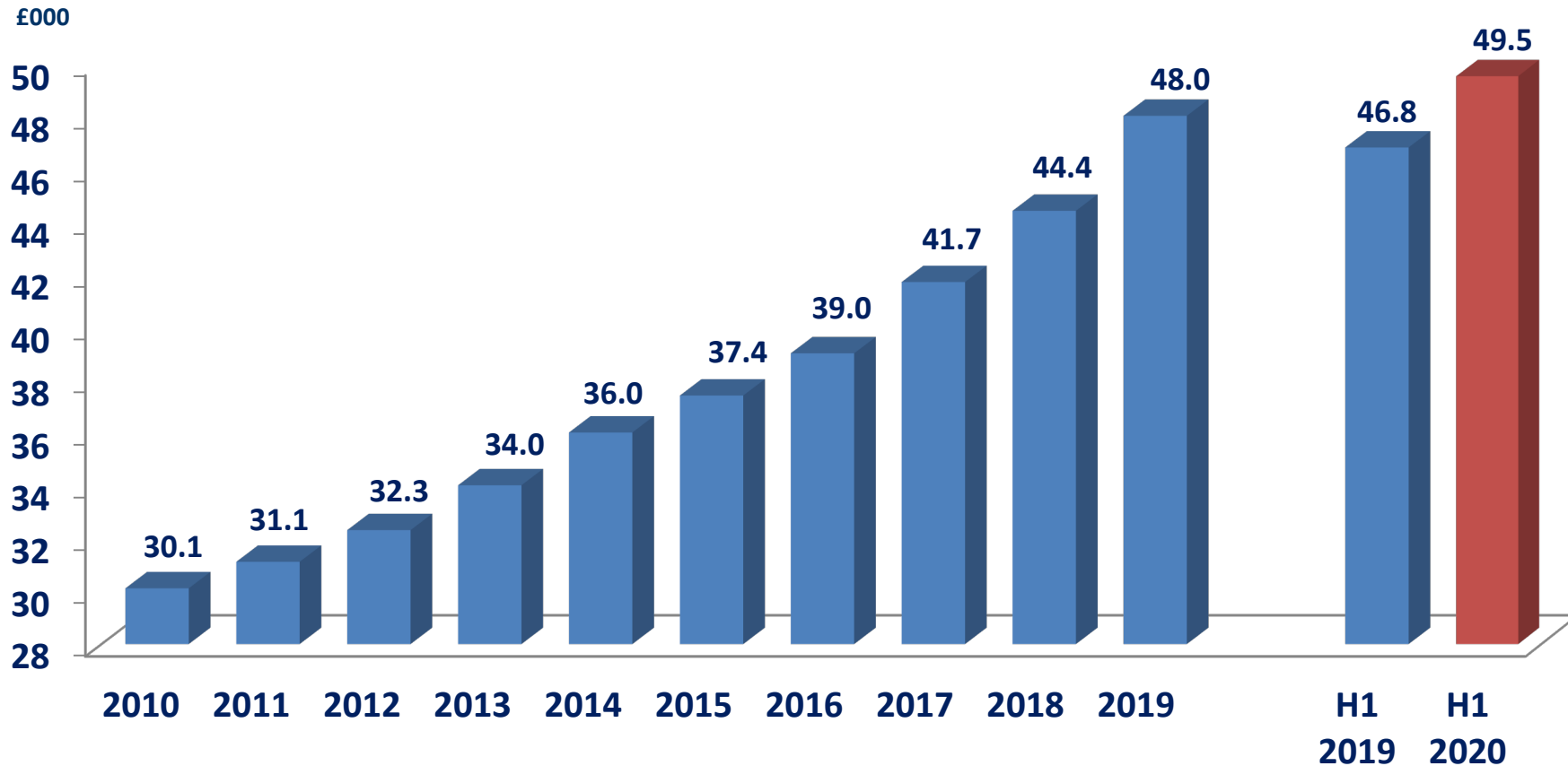
	H1 2020	H1 2019	Var%	2019	2018	2017 ²	2016	2015	2014	2013	2012 ²	2011	2010
Revenue (£m)	933.0	889.6	+4.9%	1,818.8	1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9	1,197.1	1,072.0	996.3
Like-for-like sales	+5.0%	+6.3%		+6.8%	+5.0%	+4.0%	+3.4%	+3.3%	+5.5%	+5.8%	+3.2%	+2.1%	+0.1%
Profit before tax and property gains and losses ³ (£m)	58.1	46.5	+24.9%	96.9	104.3	100.0	75.3	78.5	80.8	76.9	72.4	66.8	71.0
Profit before tax ³ (£m)	57.9	50.3	+15.2%	102.5	107.2	102.8	80.6	77.8	79.4	76.9	72.4	66.8	71.0
Underlying Earnings per share ¹ (p)	43.5	33.9	+27.4%	70.2	76.5	66.6	43.8	47.6	48.0	44.7	41.3	35.3	34.9
Free cash flow per share ¹ (p)	46.7	67.9	-41.1%	92.0	88.4	97.0	76.7	89.8	74.1	51.8	70.4	57.7	52.9
Dividend per share (p)	–	4.0		12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	19.0
After exceptional items:													
Profit before tax ³ (£m)	42.0	48.6	-13.7%	95.4	89.0	76.4	66.0	58.7	78.4	57.1	58.9	61.4	60.5

¹ Including shares held in trust. Underlying earnings per share are before exceptional items and exclude gains/losses on property and deferred tax credits.

² Financial year contains 53 weeks.

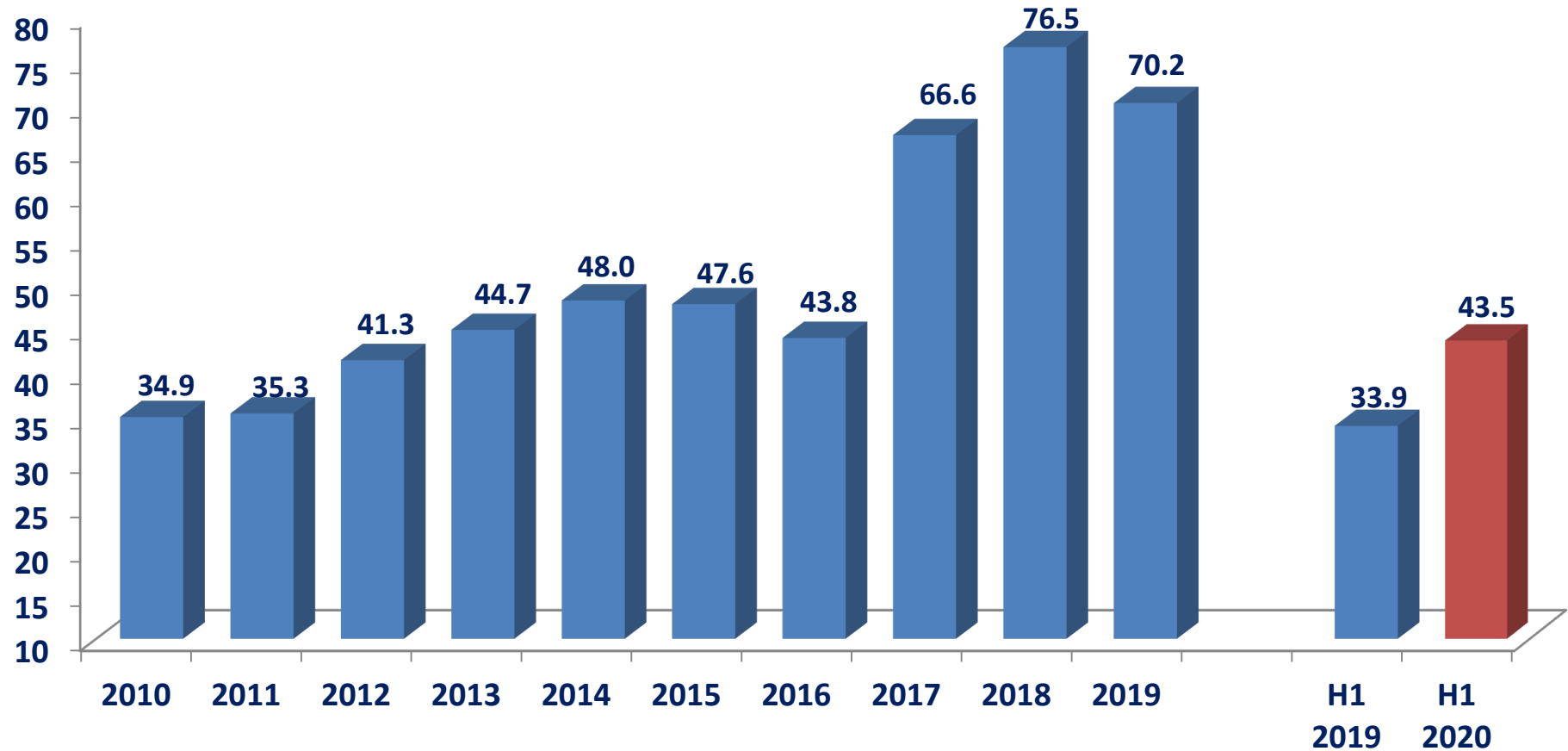
³ Excluding impact of IFRS 16.

Average Weekly Total Sales Per Pub (including VAT)



Underlying Earnings Per Share*

pence



*Underlying earnings per share are before exceptional items and exclude gains/losses on property and one-off deferred tax benefits relating to changes in corporation tax rates. We include all shares held in trust.

Like-for-like Performance

%	H1 2020	H1 2019		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Bar	+4.2	+5.9		+5.8	+5.1	+3.1	+3.3	+1.2	+2.7	+3.8	+2.8	+1.7	-0.8
Food	+5.6	+7.1		+8.3	+5.1	+5.7	+3.5	+7.3	+12.0	+10.9	+4.8	+4.2	+0.1
Fruit/slot machines	+20.3	+5.7		+10.3	+2.9	-1.2	-2.2	-2.8	-3.1	+0.4	-2.8	-3.9	+12.1
Hotels	-1.3	+0.3		+3.9	+2.3	+9.9	+9.7	+24.2	+6.3	-	-	-	-
LFL sales	+5.0	+6.3		+6.8	+5.0	+4.0	+3.4	+3.3	+5.5	+5.8	+3.2	+2.1	+0.1
LFL Pub profit*	-2.9	-4.4		+0.1	+1.2	+8.4	-0.3	-1.1	+2.0	+4.4	-2.2	-1.2	-2.0

*Excludes head office, depreciation, share incentive plan, property gains and losses, and interest costs.

10 Year Operating Profit

£m	H1 2020 ²	H1 2019	2019	2018	2017 ¹	2016	2015	2014	2013	2012 ¹	2011	2010
Turnover	933.0	889.6	1,818.8	1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9	1,197.1	1,072.0	996.3
Pub profit (pre repairs)	192.2	169.6	349.7	338.6	330.6	288.3	285.4	284.4	259.0	245.4	226.8	218.5
Repairs	(46.1)	(35.9)	(76.9)	(71.3)	(66.2)	(54.9)	(53.4)	(59.4)	(48.0)	(46.6)	(38.4)	(35.4)
Head office costs	(24.1)	(23.6)	(47.5)	(44.3)	(51.3)	(41.9)	(43.9)	(42.7)	(40.4)	(36.6)	(36.7)	(35.9)
Share Incentive Plan	(5.5)	(5.7)	(11.6)	(11.4)	(10.7)	(9.6)	(8.9)	(7.2)	(6.2)	(5.7)	(5.1)	(3.5)
Depreciation and impairment	(39.9)	(40.9)	(81.8)	(79.3)	(73.9)	(72.2)	(66.7)	(58.1)	(53.1)	(49.2)	(44.4)	(43.7)
Operating profit	76.6	63.5	131.9	132.3	128.5	109.7	112.5	117.0	111.3	107.3	102.2	100.0
Operating margin	8.2%	7.1%	7.3%	7.8%	7.7%	6.9%	7.4%	8.3%	8.7%	9.0%	9.5%	10.0%
Gains and losses on property	(0.2)	3.7	5.6	2.9	2.8	5.3	(0.7)	(1.4)	–	–	–	–
EBIT before exceptionals	76.4	67.2	137.5	135.2	131.3	115.0	111.8	115.6	111.3	107.3	102.2	100.0
Exceptional items	(15.9)	(1.6)	(7.0)	(18.3)	(26.9)	(14.6)	(19.1)	–	(19.8)	(13.5)	(5.4)	(10.6)
EBIT after exceptionals	60.5	65.6	130.5	116.9	104.4	100.4	92.7	115.6	91.5	93.8	96.8	89.4

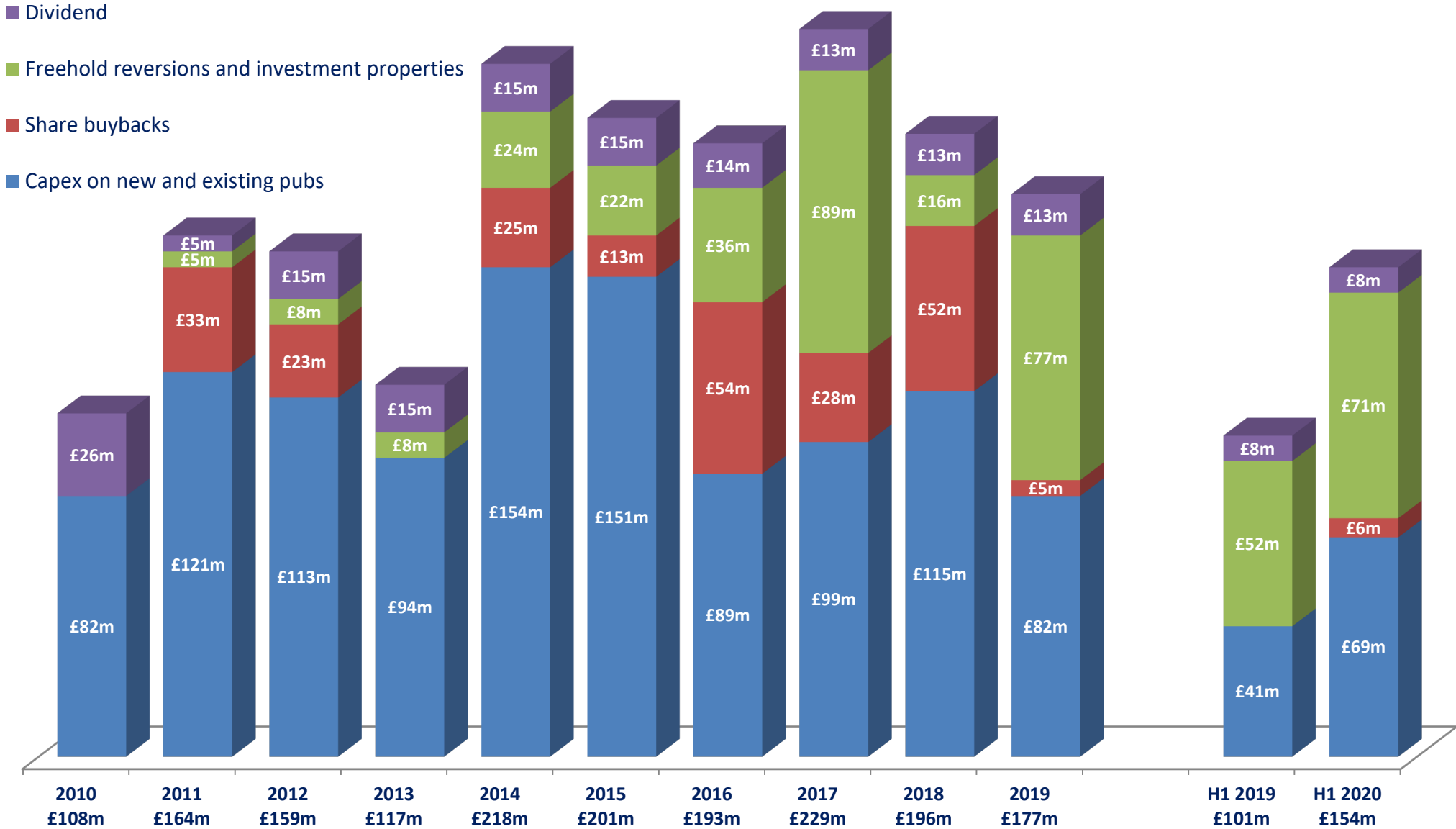
¹Financial year contains 53 weeks.

²Excludes the impact of IFRS 16.

Half Year Cost Increases

- Wages: +8.4% (+£25.3m)
- Repairs: +28.3% (+£10.2m)
- Interest: +8.8% (+£1.5m)
- Utilities : +5.1% (+£1.4m)

Allocation of Resources



Cash Capital Expenditure

£m	H1 2020	H1 2019		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
New Openings:													
Acquisition and development costs:													
Current year	14.0	4.3		19.8	32.0	27.2	38.6	76.5	64.5	40.4	57.2	74.0	45.2
Future year	20.8	11.0		7.5	14.4	13.1	16.6	30.5	33.2	12.8	10.4	9.0	12.5
Freehold reversions and investment properties	70.6	51.9		77.2	16.3	88.6	36.1	21.6	23.6	7.7	7.8	4.6	–
	105.4	67.2		104.5	62.7	128.9	91.3	128.6	121.3	60.9	75.4	87.6	57.7
Reinvestment in existing pubs:													
Kitchen and bar equipment / furniture etc.	13.6	14.9		28.7	46.2	25.3	16.0	18.4	22.6	16.7	22.5	13.4	12.8
Refurbishments	19.1	7.8		18.7	17.5	19.8	12.4	19.2	22.0	12.8	11.6	9.8	7.2
Business and IT projects	1.8	3.4		6.9	5.2	13.5	5.1	7.1	11.6	11.4	11.1	15.2	4.1
	34.5	26.1		54.3	68.9	58.6	33.5	44.7	56.2	40.9	45.2	38.4	24.1
Total	139.9	93.3		158.8	131.6	187.5	124.8	173.3	177.5	101.8	120.6	126.0	81.8













Movement in Net Debt

£m	H1 2020	H1 2019	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Opening Net Debt	737.0	726.2	726.2	696.3	650.8	601.1	556.6	474.2	462.6	437.7	388.4	390.0
Free cash flow	(49.0)	(71.7)	(97.0)	(93.4)	(107.9)	(90.5)	(109.8)	(92.9)	(65.3)	(91.5)	(78.8)	(71.3)
Disposal of fixed assets	(4.2)	(5.8)	(9.3)	(4.7)	(19.6)	(22.5)	(0.7)	(0.5)	(0.6)	(0.9)	(1.1)	(0.2)
New pubs and extensions	34.8	15.3	27.2	46.4	40.3	55.2	107.0	97.7	53.2	67.6	83.0	57.7
Freehold reversions and investment properties	70.6	51.9	77.2	16.3	88.6	36.1	21.6	23.6	7.7	7.8	4.6	–
Share buy-backs	6.5	–	5.4	51.6	28.4	53.6	12.7	24.6	–	22.7	32.8	–
Dividends paid	8.4	8.4	12.7	12.7	13.4	14.2	14.6	14.9	15.1	15.5	5.2	26.2
Net exceptional finance income	–	–	–	–	(0.4)	–	–	–	–	–	–	–
Gaming machine settlement	–	–	–	–	–	–	–	16.7	–	–	–	(14.9)
Share Issues	–	–	–	–	–	–	–	–	–	–	–	(0.5)
Other	0.4	(0.3)	(5.4)	1.0	2.7	3.6	(0.9)	(1.7)	1.5	3.7	3.6	1.4
Closing Net Debt	804.5	724.0	737.0	726.2	696.3	650.8	601.1	556.6	474.2	462.6	437.7	388.4
Available facility	993.0	895.0	895.0	860.0	860.0	840.0	840.0	690.0	575.0	575.0	550.0	550.0
Finance leases and other loans	3.9	11.3	–	0.1	0.2	0.3	2.0	4.7	10.2	16.1	7.9	8.9
Less net debt	(804.5)	(724.0)	(737.0)	(726.2)	(696.3)	(650.8)	(601.1)	(556.6)	(474.2)	(462.6)	(437.7)	(388.4)
Unutilised facility	192.4	182.3	158.0	133.9	163.9	189.5	240.9	138.1	111.0	128.5	120.2	170.5

Property Update

	H1 2020	H1 2019		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Trading pubs at start of FY	879	883		883	895	926	951	927	886	860	823	775	731
Freehold pubs opened	1	1		4	6	9	10	24	31	14	18	34	15
Leasehold pubs opened	–	1		1	–	1	6	6	15	15	22	16	32
Closures	(6)	(6)		(9)	(18)	(41)	(41)	(6)	(5)	(3)	(3)	(2)	(3)
Total trading pubs	874	879		879	883	895	926	951	927	886	860	823	775
New hotels in period	–	1		1	4	7	7	9	4	2	2	–	6
Total number of hotels	58	58		58	57	53	46	39	30	26	24	22	22
Pubs in Republic of Ireland	7	5		7	5	5	5	4	1	–	–	–	–
Average cost of development (£k)	2,160	2,375		2,644	2,773	2,299	2,459	2,070	1,643	1,552	1,420	1,207	857
Freehold average cost (£k)	565	550		960	542	721	907	843	559	589	639	825	857
Average Size (sq.ft.) – Openings	4,143	3,772		4,851	5,201	4,379	4,264	4,321	3,585	3,643	3,325	3,572	3,781
Freehold (%)	63.6	60.2		61.4	58.7	57.0	51.4	49.2	46.6	44.2	43.8	43.4	41.3
Leasehold (%)	36.4	39.8		38.6	41.3	43.0	48.6	50.8	53.4	55.8	56.2	56.6	58.7

IFRS 16 – impact

Profit and loss impact		£m
EBITDA		£28.4
Depreciation		£(24.2)
Operating profit		£4.2
Interest		£(10.8)
Property gains		£0.3
Profit before tax		£(6.3)
Tax		£1.2
Profit after tax		£(5.1)
Balance sheet impact		£m
Right-of-use assets		£579.2
Net lease liabilities		£(583.9)
Other		£(0.4)
Retained earnings		£(5.1)

“It’s a People Thing”

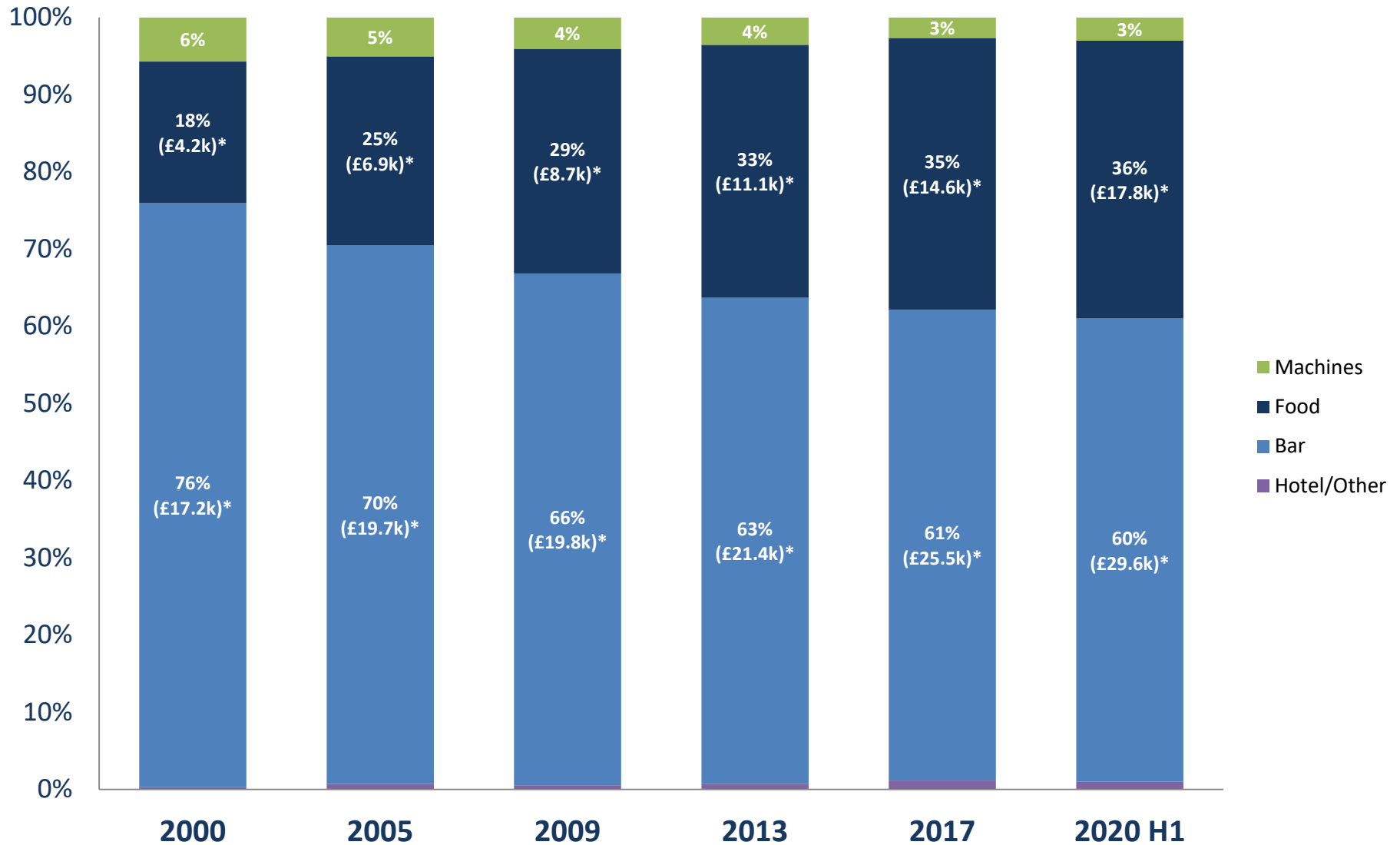
- Around 43,000 employees of which 14,000 are shareholders
- Manager retention:

	2020	2013	2008
Pub Manager	12 yrs 6 mths	9 yrs 8 mths	7 yrs 1 mth
Kitchen Manager	9 yrs 1 mth	6 yrs 5 mths	4 yrs 7 mths

- Named for the 17th consecutive year as a Top Employer UK by the Top Employer Institute
- £23m in free shares and bonuses to pub based staff in H1 (around 50% of net profits)
- Employee development
 - Diploma in Higher Education: Business Management Practice
 - BA (Hons) Business Management Practice Degree Apprenticeship
 - MBA (Executive) Senior Leader Master’s Degree Apprenticeship
 - Hospitality Apprenticeships Levels 2-4
 - ‘Wethercentre Development Programme’
 - Academies for pubs – front of house, kitchen, people and cellar/coffee/dispense
- Around 96% of hourly paid employees are on guaranteed hours contracts



Changing Sales Mix since 2000



* Average sales per week

Achievements

- 99% of pubs Cask Marque approved
- Raised £0.9m in the last 6 months and nearly £18.5m during the 18-year partnership with CLIC Sargent
- Average food hygiene rating score of 4.96 out of a maximum of 5. A total of 97.1% of pubs have achieved the maximum score of 5
- Winners in eight categories in ‘The Loo of the Year’ awards
- 18.6 million customer visits to Wetherspoon in the last 6 months*
- 248 pubs are listed in CAMRA’s Good Beer Guide

Company	Total Premises	Average Rating
Aldi	623	5.00
Waitrose	357	4.97
McDonald’s	1207	4.96
J D Wetherspoon plc	793	4.96
Nando’s	318	4.96
Sainsbury’s	977	4.95
Pizza Express	417	4.94
Pret a Manger	324	4.93
Miller and Carter	85	4.93
Greggs	1221	4.92
Tesco	1785	4.91
Others;		
Costa Coffee	2261	4.89
TGI Friday	52	4.88
Burger King	459	4.87
Hungry Horse	217	4.83
Harvester	186	4.78
Bella Italia	108	4.74
Subway	1071	4.66
Young’s	172	4.56

Food Hygiene Ratings League table,
www.scoresonthedoors.org.uk

*CGA BrandTrack, Oct 2019

Taxation

	H1 2020 £m	H1 2019 £m	FY 2019 £m	FY 2018 £m	FY 2017 £m	FY 2016 £m	FY 2015 £m	FY 2014 £m	FY 2013 £m	FY 2012 £m
VAT	182.5	175.5	357.9	332.8	323.4	311.7	294.4	275.1	253.0	241.2
Alcohol duty*	89.4	86.2	174.4	175.9	167.2	164.4	161.4	157.0	144.4	136.8
PAYE and NIC	62.2	59.0	121.4	109.2	96.2	95.1	84.8	78.4	70.2	67.1
Business rates	29.0	28.7	57.3	55.6	53.0	50.2	48.7	44.9	46.4	43.9
Corporation tax	21.5	8.5	19.9	26.1	20.7	19.9	15.3	18.1	18.4	18.2
Corporation tax credit (historic capital allowances)	–	–	–	–	–	–	(2.0)	–	–	–
Fruit/slot machine duty	6.5	5.5	11.6	10.5	10.5	11.0	11.2	11.3	7.2	3.3
Climate change levies	5.1	5.2	10.4	9.2	9.7	8.7	6.4	6.3	4.3	1.9
Stamp duty	3.6	2.6	3.7	1.2	5.1	2.6	1.8	2.1	1.0	0.8
Sugar tax	1.4	1.5	2.9	0.8	–	–	–	–	–	–
Carbon tax	–	1.4	1.9	3.0	3.4	3.6	3.7	2.7	2.6	2.4
Fuel duty	1.1	1.1	2.2	2.1	2.1	2.1	2.9	2.1	2.0	1.9
Premise licence and TV licences	0.4	0.4	0.8	0.7	0.8	0.8	1.6	0.7	0.7	0.5
Landfill tax	–	–	–	1.7	2.5	2.2	2.2	1.5	1.3	1.3
TOTAL TAX	402.7	375.6	764.4	728.8	694.6	672.3	632.4	600.2	551.5	519.3
TAX PER PUB (£000)	462	427	871	825	768	705	673	662	632	617
TAX AS % of SALES	43.2%	42.2%	42.0%	43.0%	41.8%	42.1%	41.8%	42.6%	43.1%	43.4%
PRE-EXCEPTIONAL PROFIT AFTER TAX (PAT)	45.4	39.5	79.6	83.7	77.0	56.9	57.5	58.9	65.2	57.3
PAT as % of SALES	4.9%	4.4%	4.4%	4.9%	4.6%	3.6%	3.8%	4.2%	4.4%	4.8%

*UK taxes only

Current Trading and Outlook

- LFL sales for the six weeks to 8th March +3.2%
- Total sales for the six weeks to 8th March +2.9%
- LFL sales for week ending 15th March -4.5%
- Very difficult to predict, in these circumstances, how events will unfold
- Anticipate profits being below market expectations
- Impossible to provide realistic guidance
- The Company has reduced expenditure of all types and cancelled the interim dividend
- The Company believes it has sufficient liquidity to maintain operations at a substantially lower level of sales.
- Wetherspoon will be working closely with all parties, including employees, banks, landlords and suppliers, in order to emerge from the situation in the best shape.

Questions

wetherspoon

Appendix

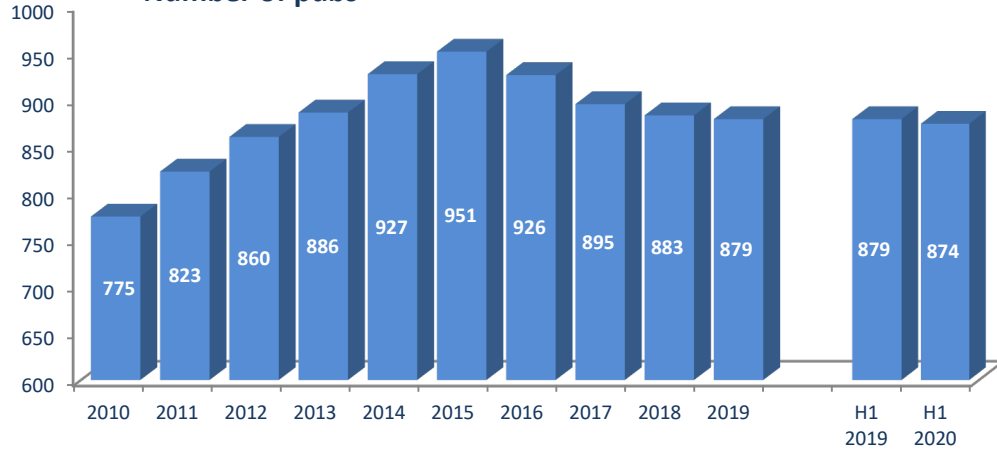
Appendices

- A 10 year overview
- B 10 year financial trends
- C 10 year debt overview
- D1 ROC/CROCCE/ROE calculations
- D2 ROC/CROCCE/ROE calculations
- E1 Summary of exceptional items
- E2 Pub disposal programme
- F1 Peach Brand Track: brand for sit down meal
- F2 Peach Brand Track: eating at quick serve outlets
- G Swap maturity profile

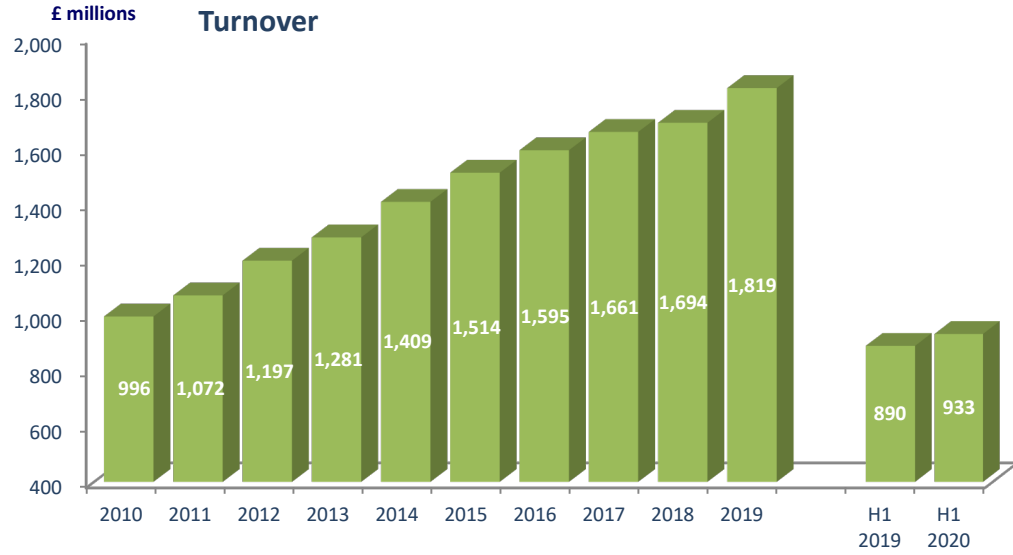
Appendix A

10 Year Overview

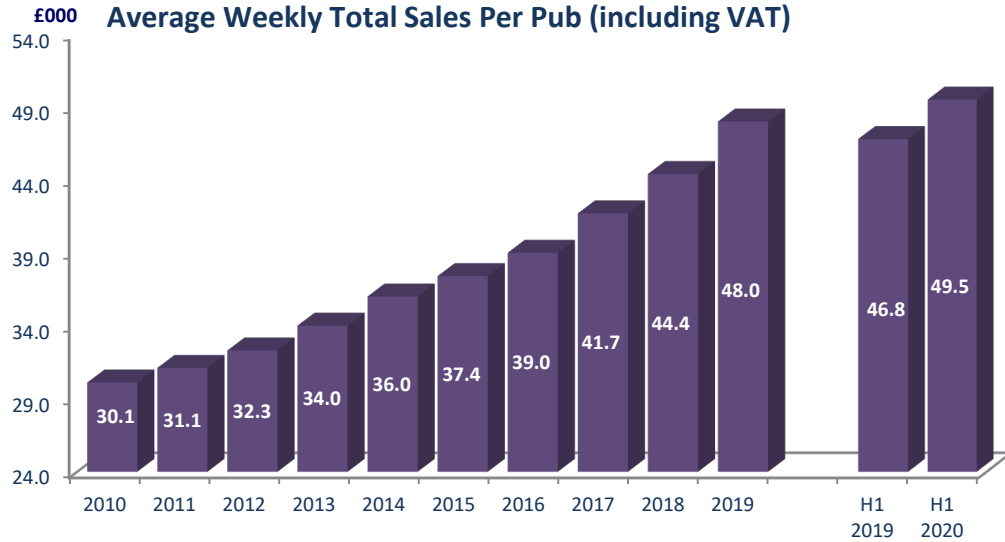
Number of pubs



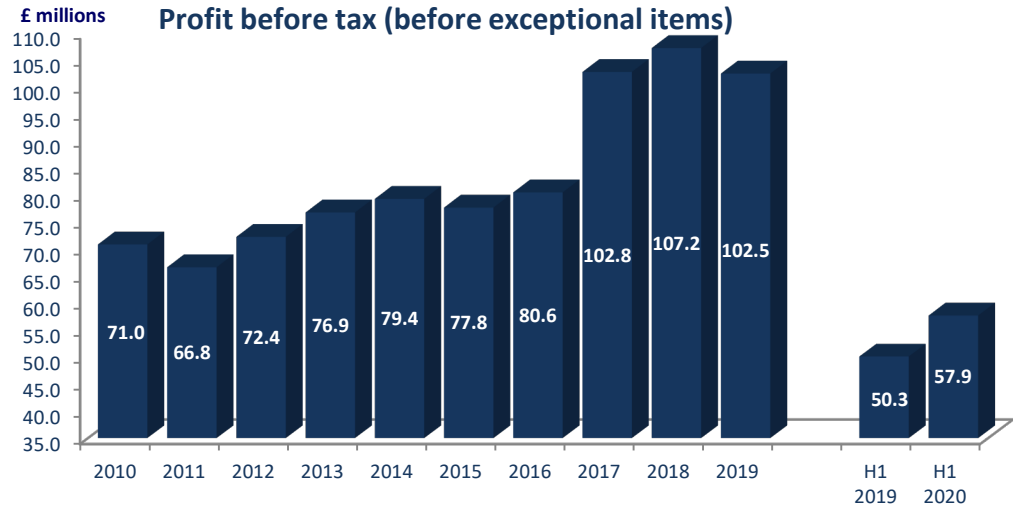
Turnover



Average Weekly Total Sales Per Pub (including VAT)



Profit before tax (before exceptional items)



Appendix B

10 Year Financial Trends

	H1 2020	H1 2019	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Sales per pub (£000)	1,070	1,013	2,075	1,921	1,807	1,694	1,620	1,562	1,476	1,401	1,360	1,335
EBITDA per pub (£000) (1)	134.2	122.7	253.3	248.0	229.0	209.2	200.9	204.5	200.9	194.9	198.7	205.8
Number of pubs	874	879	879	883	895	926	951	927	886	860	823	775
% freeholds (%)	64	60	61	59	57	51	49	47	44	44	43	41
CROCCE (%) (2)	9.6	9.5	9.7	10.0	9.9	9.7	9.6	10.5	10.6	10.8	10.7	11.0
Cash return on investment (%) (2)	12.3	12.8	12.4	13.5	13.3	12.2	11.7	12.3	12.4	12.6	11.8	12.9

(1) Excluding sale and leaseback rent

(2) See appendix D1 and D2 for calculation

Appendix C

10 Year Debt Overview

	H1 2020	H1 2019		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net debt/EBITDA	3.54	3.47		3.36	3.39	3.39	3.47	3.37	3.21	2.88	2.96	2.98	2.70
(EBITDAR - Reinvestment)/Fixed charges	2.26	2.25		2.26	2.25	2.21	2.14	1.97	1.79	1.88	1.75	1.74	2.01
Interest cover (times)	3.27	3.87		3.17	4.19	3.72	2.92	2.73	3.11	2.66	2.68	2.73	3.08
Interest cover pre exceptional (times)	4.14	3.96		3.72	4.84	4.61	3.34	3.29	3.19	3.24	3.07	2.88	3.45
Fixed charge cover (times)													
statutory	1.84	1.97		1.92	1.94	1.78	1.63	1.57	1.76	1.56	1.58	1.62	1.67
excluding depreciation	2.63	2.79		2.71	2.79	2.54	2.32	2.22	2.32	2.09	2.06	2.07	2.16
excluding depreciation and exceptionals	2.95	2.82		2.78	2.98	2.81	2.46	2.41	2.34	2.28	2.20	2.13	2.27

Appendix D1

ROC/CROCCE/ROE

		H1 2020 £000	H1 2019 £000	FY 2019 £000
Shareholders equity per accounts		319,907	312,095	316,812
Deferred tax balances		28,506	34,418	31,073
Interest rate swaps valuations		57,096	24,045	49,072
Impairment balances		19,115	18,171	19,675
Net book value of revalued assets		(5,198)	(5,540)	(5,334)
Adjusted shareholders equity	(a)	419,426	383,189	411,298
Net Debt		804,527	723,965	737,022
Capital employed	(b)	1,223,953	1,107,154	1,148,320
Accumulated depreciation (excluding impairments)	(c)	995,121	897,637	951,986
Cash capital employed	(d)	2,219,074	2,004,791	2,100,306

ROC/CROCCE/ROE

		12 months to January 2020 £000	12 months to January 2019 £000	FY 2019 £000
EBITDA (cash return)	(e)	227,473	208,507	219,327
Depreciation and amortisation	(f)	(80,812)	(81,713)	(81,811)
EBIT	(g)	146,661	126,794	137,516
Interest		(36,557)	(31,270)	(35,057)
Profit before tax		110,104	95,524	102,459
Current tax	(h)	(24,635)	(21,449)	(22,484)
Profit after current tax	(i)	85,469	74,075	79,975
Deferred tax credit/(charge) (excluding exceptional items)		94	891	(346)
Profit after tax		85,563	74,966	79,629
Return on capital employed [(g+h)/average b]*		10.5%	9.6%	10.3%
Cash return on cash capital employed [(e+h)/average d]*		9.6%	9.5%	9.7%
P&L return on shareholders equity [i/average a]*		21.3%	20.4%	20.7%
Cash Return on Investment [(i-f)/(average a+c)]		12.3%	12.8%	12.4%

*All returns are calculated after tax

Summary of Exceptional Items

		H1 2020 £000	H1 2019 £000	FY 2019 £000
Exceptional property losses				
Disposal programme	<i>(see next slide)</i>	5,118	1,286	4,108
Other property losses	<i>Impairment of property, plant and equipment</i>	1,290	–	2,252
	<i>Impairment of other assets</i>	–	–	52
	<i>Impairment of intangible assets</i>	9,540	–	–
	<i>Onerous lease provision</i>	–	365	628
		15,948	1,651	7,040
Exceptional tax	<i>Tax effect on operating exceptional items</i>	(1,801)	(99)	(188)
		(1,801)	(99)	(188)
Total exceptional items		14,147	1,552	6,852

Appendix E2

Summary of Pub-Disposal Programme

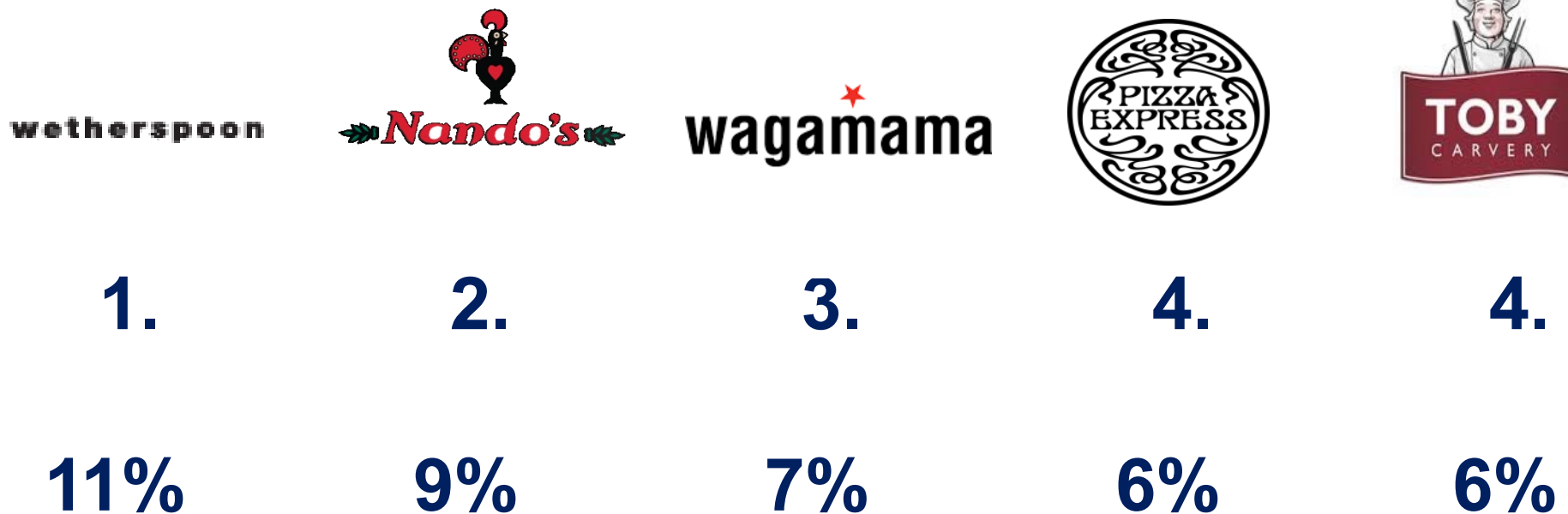
The company has offered several of its sites for sale. During the half year, a further six (2019: two) sites had been disposed of and one (2019: two) was classified as held for sale.

		H1 2020 £000	H1 2019 £000	FY 2019 £000
Disposal programme	<i>Loss on disposal of pubs</i>	3,622	322	1,583
	<i>Impairment of property, plant and equipment</i>	1,496	806	1,298
	<i>Impairment of other non-current assets</i>	–	–	93
	<i>Onerous lease provision</i>	–	158	1,134
		5,118	1,286	4,108

CGA BrandTrack:

JDW consistently succeed in being voted preferred brand to eat out at

Q: If the following brands were available in the same location, which would be your first choice to eat at?



CGA BrandTrack:

JDW is the 4th most used eating brand in GB, holding its own against quick serve outlets



wetherspoon



1.

2.

3.

4.

5.

59%

50%

48%

39%

38%

Percentage of GB population eaten at brand in past 6 months

Swap Maturity Profile

Swap Value	From	To	Weighted Average %
£770m	02 Jul 2018	29 Jul 2021	2.42
£770m	30 Jul 2021	30 Jul 2023	1.61
£770m	31 Jul 2023	30 Jul 2026	1.10
£770m	31 Jul 2026	30 Jun 2028	1.33
£770m	01 Jul 2028	29 Mar 2029	1.32